

Press Release
March 18, 2020



Schweizer Electronic AG: Preliminary unaudited group figures for Fiscal Year 2019

- **Turnover and EBITDA still in line with our expectations**
- **Ramp up in China shows great progress**

Schramberg, March 18, 2020 – According to preliminary unaudited figures, the SCHWEIZER Group achieved a turnover of 120.7 million euro for the fiscal year 2019 which is at the lower end of the projected range of 120 – 125 million euro (previous year: 125.3 million euro). The EBITDA (earnings before interest, taxes, depreciation and amortisation) of 0.1 million euro (previous year: 9.2 million euro) corresponds to an EBITDA margin of 0.1 percent (previous year: 7.3 percent) and is also in line with our adjusted forecast for 2019. The Group EBIT (earnings before interest and taxes) amounted to -6.5 million euro (previous year: 1.6 million euro) and corresponds to an EBIT margin of -5.4 percent (previous year: 1.3 percent).

Turnover development

In the first half year 2019 SCHWEIZER was hit by the slowdown of demand in the automobile as well as the industry sectors leading to a turnover decline of 5.7 percent. The turnover recovered in the second half year showing only a minus of 1.6 percent against previous year's period.

While the business through our Asian partners WUS and Meiko developed on an outstanding note with a plus of 53 percent, sales from our parent plant in Schramberg were not satisfactory with a reduction of -17.5 percent against previous year's period. The weak economic climate of the European automobile industry as well as the decline in machine construction showed a visible impact here.

Gross margin and operative result

Gross earnings amounted to 12.6 million euro (2018: 18.6 million euro). The gross margin reduced from 14.8 percent in the previous year to 10.5 percent. Main reasons for this decline were the sharply rising turnover share of printed circuit boards manufactured by our partners in Asia and the simultaneous decline in our own production. Due to the business model, gross margins in the trading business are lower than those of own production. The low capacity utilisation in particular burdened

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the profitability in Schramberg.

Administration cost in Schramberg reduced due to cost savings and short-time work in the administrative functions. Expenditures for the construction of the plant in China as well restructuring cost in Schramberg, however, had a contrary effect in this area, so that the administration cost in total increased by 2.7 percent. The operative loss (EBIT) amounted to 6.5 million euro. Depreciations amounted to 6.6 million euro resulting in an EBITDA of 0.1 million euro (previous year: 9.2 million euro). Without the ramp-up losses in connection with the China project as well as the restructuring expenditures the EBITDA would have amounted to 5.1 million euro and the EBITDA margin to 4.2 percent.

Early in 2019, the Management had initiated comprehensive cost savings in the areas of material and personnel cost. Positive effects from these measures will have their full impact in the year 2020.

Investment project China

The construction of the production and administrative building could be finalised in the year 2019 according to plan. Despite the outbreak of the Corona virus, all employees could have returned to their workplace in the meantime, so that we currently expect the start of series production slightly delayed by mid-April.

Final, audited figures for the business year 2019 as well as a detailed forecast for the current business year will be disclosed on April 21, 2020.

Preliminary figures in year-on-year comparison

| in million euro | 2019 | 2018 |
|-------------------|-------|-------|
| Order book | 126.7 | 171.2 |
| Turnover | 120.7 | 125.3 |
| EBITDA | 0.1 | 9.2 |
| EBITDA margin (%) | 0.1 | 7.3 |
| EBIT | -6.5 | 1.6 |
| EBIT margin (%) | -5.4 | 1.3 |
| Annual result | -5.6 | 0.5 |

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About Schweizer

Schweizer Electronic AG stands for state-of-the-art technology and consultancy competence. SCHWEIZER's premium printed circuit boards and innovative solutions and services for automotive, solar, industry and aviation electronics address key challenges in the areas of Power Electronics, Embedding and System Cost Reduction. Its products are distinguished for their superior quality and their energy-saving and environmentally-friendly features. Together with its partners WUS Printed Circuit (Kunshan) Co., Ltd., Meiko Electronics Co. Ltd. and Elekonta Marek GmbH & Co. KG the company offers in its division electronics cost- and production-optimised solutions for small, medium and large series. Together with its partner Infineon Technologies AG, SCHWEIZER plans to jointly tap the chip embedding market in future.

The company was founded by Christoph Schweizer in 1849 and is listed at the Stuttgart and Frankfurt Stock Exchanges (ticker symbol „SCE“, „ISIN DE 000515623“).

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